

VZCZCXRO1254
OO RUEHCN RUEHGH
DE RUEHIN #0408/01 0811022
ZNR UUUUU ZZH
O 211022Z MAR 08
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8490
INFO RUEHBJ/AMEMBASSY BEIJING 8043
RUEHGH/AMCONSUL SHANGHAI 1923
RUEHCN/AMCONSUL CHENGDU 2548
RUEHSH/AMCONSUL SHENYANG 6518
RUEHGZ/AMCONSUL GUANGZHOU 1108
RUEHHK/AMCONSUL HONG KONG 9299

UNCLAS SECTION 01 OF 03 TAIPEI 000408

SIPDIS

SIPDIS

SENSITIVE

DEPT FOR AIT/W, EAP/TC, INR/EAP

FROM AIT KAOHSIUNG BRANCH OFFICE

E.O. 12958: N/A

TAGS: [PGOV](#) [TW](#)

SUBJECT: PRESIDENTIAL ELECTION IN SOUTHERN TAIWAN: TIGHT
BATTLEGROUND WITH ONE DAY TO GO

REF: Taipei 000371

SENSITIVE BUT UNCLASSIFIED, PLEASE PROTECT ACCORDINGLY

11. (SBU) Summary: On election eve, most local observers believe that Frank Hsieh has not pulled away from Ma Ying-jeou in southern Taiwan, the DPP's heartland. Hsieh's southern campaign has picked up momentum as of late, but Ma is staying close in several populous southern areas. Kaohsiung is the region's biggest prize, and the city's nearly one-million eligible voters may split evenly on election day. Hsieh is doing better in reliably Green Kaohsiung County, Pingtung County and President Chen's home base of Tainan County, but the KMT is hoping for a surprise squeaker in Tainan City. Close to central Taiwan's political swing belt, Chiayi is still too close to call, but KMT Vice Presidential candidate Vincent Siew, a Chiayi City native, has boosted local KMT hopes. Less populous Taitung and remote Penghu offer few votes, the majority of which are pan-Blue. Most local observers continue to tell us that, although Hsieh has largely consolidated his southern DPP base, Ma's effective appeal to centrist and swing voters will prevent the DPP from repeating the rout it won in southern Taiwan in 2004. End summary.

Southern Taiwan: Anxious Mood

12. (SBU) With just hours to go before election day, DPP officials in southern Taiwan are worried that Frank Hsieh will not match President Chen's big 2004 winning margins in the south, while KMT officials are confident that the region's widespread economic concerns will make Ma Ying-jeou competitive in all key southern battlegrounds. The DPP has mobilized more effectively in the south within the last few weeks, as Hsieh's attacks on the "one-China market" have struck a chord. Moreover, DPP southern stalwarts are relieved that its pan-Green junior partner, the Taiwan Solidarity Union (TSU), has for the most part returned to the fold.

13. (SBU) Nevertheless, local observers note that the DPP's March 16 southern rallies, despite their impressive size, did not match the fervor of Chen's 2004 rallies, particularly the 2-28 "Hand-in-Hand" rally that helped Chen battle back to victory in 2004. Furthermore, the KMT's strong showing in key southern battlegrounds in the January 2008 Legislative Yuan (LY) elections has led some observers to conclude that the KMT has already narrowed the southern gap. In the campaign's final hours, the DPP plans to continue its attacks on Ma and the KMT to appeal to its "Taiwan identity"-first base, while the KMT is bracing for possible last-minute DPP "dirty tricks."

The Big Prize: Kaohsiung

14. (SBU) Kaohsiung City and County are southern Taiwan's biggest electoral prize, with almost one-million eligible voters in the city and 800,000 in the county. Hsieh's campaign has touted his achievements as Kaohsiung City mayor, including the highly popular Love River cleanup and the construction of the subway system, which opened last week to positive acclaim. Nevertheless, Kaohsiung's economy has been lagging in recent years, and the KMT has capitalized on the economic malaise. While President Chen triumphed in the city by over 100,000 votes in 2004, the KMT nearly tied the DPP in the 2007 mayoral election and beat the DPP in the January 2008 LY elections. Both the DPP and KMT estimate that swing voters make up to 30 percent of Kaohsiung City's electorate, so the two candidates are focusing sharply on that group.

15. (SBU) DPP officials believe that Hsieh's big March 16 "High Five" rally revived party spirits and gave Hsieh local momentum. Their goal is to exceed Chen's margin and win by at least 150,000 votes, hammering the KMT on the one-China market, one-party domination, and Ma credibility issues (reftel). Our local KMT contacts dismiss this optimism, noting that Ma's economic platform is resonating with voters concerned about the city's listless economy. The harbinger, they believe, is the KMT's winning of three of the city's five LY seats in January. If Ma replicates the party vote ratios in the January elections, Ma could surprise Hsieh in the city by 30 to 40,000 votes.

16. (SBU) The more agricultural Kaohsiung County, however, is fertile Hsieh territory. DPP County Magistrate, Yang Chiu-hsing,

TAIPEI 00000408 002 OF 003

has cultivated a clean image and remains quite popular. Yang told the Director on March 19 he hoped Hsieh could win the county by at least 100,000 votes, which would approach Chen's 122,000 vote margin in 2004. The KMT again points to the 2008 Legislative Yuan elections as a positive sign, noting that it took three of the county's four seats and won the party vote. The county KMT chair mentioned to the Director on March 19 that recent voting trends suggest Ma could pull to within 50,000 votes of Hsieh in the county on election day.

Deep-Green Heartland: Tainan

17. (SBU) Hsieh knows he must win big throughout Tainan, southern Taiwan's second largest prize. Tainan City and Tainan County gave President Chen two of his biggest winning margins in 2004. Tainan City Mayor Hsu Tien-tsair told Director Young on March 19 that Tainan City's strong local economy will trump local dissatisfaction with President Chen's administration. He predicted Hsieh would secure at least 60 percent of Tainan City's estimated 450,000 votes, but most local analysts think the range will fall within the city's current 55 to 45 split in the DPP's favor (about a 45,000 vote DPP margin). The wild card is KMT momentum stemming from Ma's highly successful March 16 Tainan City rally, which attracted some 30,000 supporters, including many young voters. One pollster at Tainan's National Cheng Kung University even predicted that Ma would upset Hsieh in the city, perhaps by 10,000 votes. Outlying Tainan County, however, remains secure DPP territory. Favorite-son Chen Shui-bian whipped his opponent by almost 200,000 votes out of some 600,000 cast in 2004, and the county stayed comfortably in DPP hands during this January's Legislative Yuan elections. If Ma pulls within 100,000 votes of Hsieh in Tainan County, the KMT would consider the result a moral victory.

Central Battleground: Chiayi

18. (SBU) Close to other swing areas in central Taiwan, Chiayi, home to many 2/28 victims, has long hosted an eclectic political scene where personal factions often count more than party affiliation. President Chen won Chiayi City decisively in 2004, but the KMT

prevailed in the city's January 2008 Legislative election party totals. The KMT is hoping Chiayi City native Vincent Siew will help Ma vault over factional politics and strengthen his appeal in the city. If so, the KMT could duplicate its January 2008 margins, giving Ma a lead of around 10,000 votes in the city out an estimated 150,000 cast.

¶9. (SBU) Outlying Chiayi County, with more than 300,000 votes at stake, is harder to assess. As in Chiayi City, Chiayi County factions shift frequently depending on which party holds central government power. The DPP's strategic backing of local power brokers helped deliver a landslide county win for President Chen in 2004 by more than 80,000 votes. In January 2008, the KMT nearly tied the DPP in the county's party vote. County Magistrate Chen, formerly KMT and now DPP, insisted that Hsieh would win comfortably in Chiayi County but admitted that Hsieh's campaign strategy was unclear. By contrast, a local KMT operative told us the vote was too close to call. He was certain Ma could hew closely to January's vote totals, keeping the KMT within 20,000 votes.

Holding Green: Pingtung

¶10. (SBU) Pan-Green support in far-south Pingtung County has been slipping since 2004, but local DPP officials hope that Hsieh's one-China market" attacks will consolidate DPP support in Pingtung's vast agricultural areas. DPP vice presidential Candidate Su Tseng-chang, who won fans during an earlier stint as Pingtung County

SIPDIS

magistrate, will also boost DPP prospects here. The KMT almost tied the DPP in Pingtung's January 2008 LY party vote, a far cry from President Chen's 80,000 vote margin over Lien Chan in 2004. DPP Pingtung County Vice Magistrate Chung Chia-ping told us on March 20 that the DPP will win Pingtung but needs a turnout of at least 80 percent to match the 2004 winning margin. The KMT officials are expecting a lower turnout (70-75 percent), which they hope will help them keep Ma within 15,000 votes of Hsieh out of some 500,000 votes cast.

Forever Blue: Taitung and Penghu

TAIPEI 00000408 003 OF 003

¶11. (SBU) Astride Taiwan's rugged southeastern coast, less-populated Taitung is long-time deep-Blue territory. Taitung's population is one third aborigine, and KMT county governments have secured their allegiance through substantial tax exemptions and subsidies. Although Taitung sits next to deep-Green territory, its geographic isolation and the KMT's local grass-roots strength have prevented the DPP from making political inroads. In 1998, the DPP won the Taitung City Mayoral race but has had no other significant victories in Taitung since then. Taitung has just 170,000 eligible votes up for grabs, and voter turnout is usually low (less than 70 percent). Therefore if Ma matches the KMT's 2004 margin (65 to 35 percent), his winning margin would be around 40,000 votes.

¶12. (SBU) Even more isolated than Taitung, the scenic Penghu County islands are valued more for their strategic location between Taiwan and China than for their electoral impact. The KMT remains dominant in Penghu. Although the DPP managed to win the county magistrate seat in 1993, the KMT took it back in 1997. DPP leaders were encouraged that that Chen nearly drew even with the KMT in Penghu in 2004, but most of our local contacts agree that Ma will take a solid majority of Penghu's estimated 60,000 votes in 2008, with a margin of around 5,000 votes.

Comment

¶13. (SBU) In the 2004 elections, President Chen swept southern Taiwan, winning the region by a majority of more than 670,000 votes. The KMT is hoping to cut that southern margin by at least one half. Hsieh's toughest battle is in Kaohsiung City, and a failure to pull away in the south's most populous city could doom his campaign.

Local KMT officials note that low turnout (around 60 percent) helped the KMT triumph in key southern battlegrounds during the January 2008 LY elections. Both camps are therefore focusing on the region's centrist and swing voters (an estimated 20-30 percent of the electorate) who will determine the fate of the contest in the south. If the KMT is correct that those voters are largely concerned about economic issues, Ma should stay close to Hsieh even in DPP-leaning southern Taiwan.

CASTRO

YOUNG